

542 S. Dearborn Street, 14th Floor

Chicago, IL 60605

Phone: 312-663-0800 | Fax: 312-663-0900

Tax Identification Number: 26-2137168

Account Statement

Prepared for Lee Freeman

Re: Southern Montana Electric Bankruptcy

Previous Balance	\$0.00
Current Charges	\$61,912.52
Total Due	\$61,912.52

542 S. Dearborn Street, 14<sup>th</sup> Floor  
 Chicago, IL 60605  
 Phone: 312-663-0800 | Fax: 312-663-0900

Lee Freeman, Trustee  
 Carrie Boysun  
 Southern Montana Electric

Invoice Date: October 31, 2013  
 Invoice Number: 11276  
 Invoice Amount: \$61,912.52

**Matter: Southern Montana Electric Bankruptcy**

**Attorney's Fees**

11/28/2011	TC LAF; review SME bankruptcy docket, orders, motions	N.A.T.	1.50	No Charge
11/29/2011	Review issues leading to SME insolvency.	J.M.G.	.50	No Charge
12/2/2011	Review reports of Section 341 hearing	N.A.T.	.20	No Charge
1/12/2012	Review recent filings in SME bankruptcy	J.M.G.	.50	No Charge
1/12/2012	Attend meeting with Lee Freeman to discuss strategy for investigation for trustee in bankruptcy	J.M.G.	.50	No Charge
1/12/2012	Review background materials in bankruptcy filings (including Motion to Disqualify J. Doak and related exhibits and filings) to prepare for meeting regarding investigative scope	N.A.T.	3.20	\$1,280.00
1/12/2012	Meet with L. Freeman re investigative work and scope of assignment, background facts and materials	N.A.T.	1.00	\$400.00
1/22/2012	Review briefs filed in YVEC litigation with debtor and debtor's financial statements for investigation	N.A.T.	2.20	\$880.00
1/23/2012	Travel from Chicago to Billings for bankruptcy hearing and meetings with creditors, witnesses and parties in interest	N.A.T.	3.00	No Charge
1/23/2012	Review financial and other documents provided by YVEC for investigation	N.A.T.	1.20	\$480.00
1/23/2012	Review documents provided by Beartooth for investigation	N.A.T.	1.10	\$440.00
1/23/2012	Review prior testimony of William Fitzgerald, debtor's CEO	N.A.T.	1.00	\$400.00
1/23/2012	Meet with L. Freeman, J. Parks re background facts and investigation scope	N.A.T.	.50	\$200.00
1/23/2012	Meet with representative of Beartooth cooperative and its counsel for investigation	N.A.T.	1.20	\$480.00
1/23/2012	Meet with J. Doak re background facts concerning debtor for investigation	N.A.T.	.50	\$200.00
1/24/2012	Attend bankruptcy court hearing	N.A.T.	2.00	\$800.00
1/24/2012	Discussion with L. Freeman re investigation issues and issues of confidentiality, subpoenas, privilege issues	N.A.T.	.50	\$200.00

1/24/2012	Return travel from Billings, Montana to Chicago, IL	N.A.T.	3.00	No Charge
1/24/2012	Review summary judgment and other briefs and exhibits filed in YVEC litigation with debtor	N.A.T.	1.00	\$400.00
1/24/2012	Review T. Gregori prior testimony	N.A.T.	1.00	\$400.00
1/24/2012	Prepare for and meet with City of Great Falls representatives and their outside counsel regarding City's relationship with and concerns relating to debtor	N.A.T.	1.20	\$480.00
1/24/2012	Meet with J. Doak regarding issues raised with respect to debtor, state court litigation and areas of investigation	N.A.T.	1.50	\$600.00
1/24/2012	Meet with representatives of and counsel for Yellowstone Valley (YVEC)	N.A.T.	1.00	\$400.00
1/25/2012	Emails LAF and J. Parks re interview of J. Doak	N.A.T.	.10	\$40.00
1/30/2012	Review email from G. Doyon and documents provided by Great Falls re Southern board meetings	N.A.T.	.80	\$320.00
1/30/2012	Emails J. Parks and L. Freeman re status and access to certain records	N.A.T.	.20	\$80.00
1/30/2012	Reviewed YVEC motion re automatic stay and related exhibits for investigation issues	N.A.T.	1.00	\$400.00
2/1/2012	Review documents provided by YVEC, Beartooth, City of Great Falls and analyze	N.A.T.	3.00	\$1,200.00
2/3/2012	Teleconference with J. Alter, counsel for prepetition noteholders, re inquiry about investigation	N.A.T.	.20	\$80.00
2/7/2012	Researching legal issues re: Montana corporate governance law	S.N.G.	1.00	\$175.00
2/7/2012	Emails J. Parks, L. Freeman re Van Dye interview of J. Doak	N.A.T.	.10	\$40.00
2/8/2012	Researching legal issues re: Montana corporate law	S.N.G.	1.50	\$262.50
2/8/2012	Conference call with Jon Doak, Harold Van Dye, John Parks re background information concerning Southern and its bankruptcy filing	N.A.T.	.80	\$320.00
2/9/2012	Researching legal issues re: Montana corporate governance law	S.N.G.	3.00	\$525.00
2/9/2012	Review City of Great Falls power contracts and analyze	N.A.T.	.80	\$320.00
2/9/2012	Emails with L. Freeman re status, access to auditor information	N.A.T.	.20	\$80.00
2/13/2012	Researching legal issues re: Montana corporate governance law	S.N.G.	2.00	\$350.00
2/14/2012	Review cases re standard for business judgment rule and standards for coops and analyze application to transactions board decisions	N.A.T.	.60	\$240.00
2/14/2012	Emails L. Freeman re status and power market issues	N.A.T.	.30	No Charge
2/14/2012	Review YVEC positions and concerns as part of investigation scope	N.A.T.	.50	\$200.00
2/14/2012	Review Beartooth outline of concerns re corporate governance and financial transactions	N.A.T.	1.00	\$400.00
2/17/2012	Review and analyze board minutes in light of corporate law issues in regard to transactions and	N.A.T.	2.00	\$800.00

	corporate acts			
2/20/2012	Review and analyze documents provided by YVEC and sent by L. Freeman	N.A.T.	1.80	\$720.00
2/20/2012	TC C. Boysun re requests for financial information from Southern	N.A.T.	.30	\$120.00
2/20/2012	Review email from C. Boysun and attached financial documents re Southern, including audited financial statements, check register, general ledger, time sheets, powerpoint presentation to board regarding power contracts, PPL contract summary and accounting schedules	N.A.T.	3.70	\$1,480.00
2/21/2012	Analyze documents provided by Southern regarding issues raised in investigation	N.A.T.	3.50	\$1,400.00
2/22/2012	Further review and analysis of board minutes, PPL contracts and financial documents for investigation issues	N.A.T.	2.80	\$1,120.00
2/24/2012	Review issues raised by YVEC, City of Great Falls and Beartooth and follow up on documentation to address those financial and corporate governance issues	N.A.T.	2.00	\$800.00
2/26/2012	Prepare follow-up questions for investigation	N.A.T.	.50	\$200.00
3/2/2012	Telephone conference with C. Boysun re follow-up questions regarding financial schedules provided	N.A.T.	.20	\$80.00
3/2/2012	Telephone conference with T. Gregori and interview re events at Southern leading to bankruptcy and power contract issues	N.A.T.	1.00	\$400.00
3/2/2012	Review documents provided by City of Great Falls	N.A.T.	.50	\$200.00
3/2/2012	Telephone conference with L. Freeman re investigation status	N.A.T.	.40	\$160.00
3/2/2012	Review Southern board minutes	N.A.T.	2.00	\$800.00
3/5/2012	Review documents from Southern re transfer of plant assets from SME, rate composition; board notes and presentations and relevant bankruptcy filings	N.A.T.	3.50	\$1,400.00
3/6/2012	Telephone conference with C. Boysun re accounting schedules provided	N.A.T.	.30	\$120.00
3/6/2012	Emails with L. Freeman re status and investigation issues	N.A.T.	.30	\$120.00
3/6/2012	Review calculation from C. Boysun re billing by Southern to cooperative members and analyze	N.A.T.	.60	\$240.00
3/9/2012	Telephone conference and emails C. Boysun re Toshiba contract issue	N.A.T.	.20	\$80.00
3/9/2012	Review emails, memos, minutes and contracts re Toshiba contract issue and analyze	N.A.T.	1.60	\$640.00
3/9/2012	Telephone conference with C. Boysun re requests for additional information	N.A.T.	.30	\$120.00
3/9/2012	Review additional information from C. Boysun re CFC collateral letter agreement and load ratio share of CFC collateral payment	N.A.T.	1.10	\$440.00
3/9/2012	Review email and related documents concerning coal-related asset impairment issue for HGS facility	N.A.T.	1.40	\$560.00

	and impact on Southern			
3/9/2012	Analyze issues re IESS, SME and Southern relationship and impact on Southern	N.A.T.	1.30	\$520.00
3/9/2012	Review issues re \$14 million payment and transfer of HGS to Southern	N.A.T.	.80	\$320.00
3/10/2012	Review documents and process of withdrawal of construction funds from US Bank, escrow for Prudential and Modern Woodsman	N.A.T.	1.20	\$480.00
3/10/2012	Analyze issues re use of construction funds	N.A.T.	.40	\$160.00
3/10/2012	Review documents re closing of HGS financing in February 2010 and impact on Southern	N.A.T.	1.70	\$680.00
3/10/2012	Review issues re fee amounts paid to Wolf Block attorney and accountant	N.A.T.	1.40	\$560.00
3/10/2012	Emails L. Freeman re status of investigation, issues	N.A.T.	.20	\$80.00
3/11/2012	Review PPL deferred agreement, letter of credit and analyze issues re power contracts	N.A.T.	1.40	\$560.00
3/12/2012	Review documents and analyze possible breach of fiduciary duty issues	N.A.T.	.50	\$200.00
3/12/2012	Review directors and officers insurance policies	N.A.T.	1.00	\$400.00
3/14/2012	Teleconference with J. Parks re investigation status, insurance issues	N.A.T.	.10	\$40.00
3/14/2012	Teleconference with L. Freeman re investigation status and report on issues	N.A.T.	.20	\$80.00
3/14/2012	Draft written analysis of issues in investigation and information obtained to date	N.A.T.	3.00	\$1,200.00
3/14/2012	Review issues re filed mechanics liens and construction draws	N.A.T.	.40	\$160.00
3/14/2012	Emails J. Parks re construction draw issues raised by counsel for secured creditors	N.A.T.	.20	\$80.00
3/14/2012	Review additional documents from Southern re cash flow, construction disbursements	N.A.T.	.50	\$200.00
3/15/2012	Teleconference counsel for Corval Constructors and The Energy Corporation re unpaid amounts on construction of HGS and construction budget and draws	N.A.T.	.40	\$160.00
3/15/2012	Teleconference and email from Scott Sweeney of Fergus re letter from Fergus board member and analyze issues	N.A.T.	.80	\$320.00
3/16/2012	Review and analyze issues in email and attached documents from C. Boysun re disclosure of cash flow issues, direction of payments to PPL	N.A.T.	.70	\$280.00
3/16/2012	Review documents provided by C. Boysun re First Interstate Bank line of credit and analyze issues	N.A.T.	1.40	\$560.00
3/16/2012	Review notice to Southern board re power rate increase in 2009 and analyze issues	N.A.T.	.80	\$320.00
3/16/2012	Review documents relating to HGS financing and analyze disclosure issues	N.A.T.	1.50	\$600.00
3/16/2012	Emails with C. Boysun re final construction draw requests and cash flow on construction loan in few months prior to bankruptcy filing	N.A.T.	.20	\$80.00
3/17/2012	Further review of documents provided by C. Boysun	N.A.T.	2.20	\$880.00

	on 3/16 and analysis of possible breach of fiduciary duty issues			
3/17/2012	Review documents re Wholesale Power Reserve Fund and analyze impact	N.A.T.	1.00	\$400.00
3/17/2012	Review documents provided by C. Boysun on 3/16 re stranded cost calculation and City of Great Falls allocation	N.A.T.	1.60	\$640.00
3/19/2012	Review spreadsheet of HGS financing summary	N.A.T.	.30	\$120.00
3/20/2012	Review documents provided by The Energy Corporation re unpaid construction costs	N.A.T.	1.10	\$440.00
3/21/2012	Review additional emails re mechanics liens	N.A.T.	.30	\$120.00
3/26/2012	Follow up with L. Freeman re investigation issues via emails	N.A.T.	.20	\$80.00
3/28/2012	Investigate land acquired by SME and relationship with Southern and current status	N.A.T.	1.80	\$720.00
4/1/2012	Email and call with L. Freeman re status	N.A.T.	.30	\$120.00
4/1/2012	Review email from D. Kelsey to L. Freeman regarding items included in power rate and analyze issues re HGS financing	N.A.T.	.50	\$200.00
4/2/2012	Review and analyze email from T. Holzer re HGS financing and review documents from Southern and analyze issue	N.A.T.	1.70	\$680.00
4/3/2012	Review email from L. Freeman regarding issues raised by Fergus and YVEC complaint and analyze in light of documents provided by Southern and information from C. Boysun	N.A.T.	.60	\$240.00
4/3/2012	Follow up on questions raised by L. Freeman by reviewing board minutes for disclosure and approval of issues	N.A.T.	2.20	\$880.00
4/6/2012	Review board books and minutes and provide information to L. Freeman re disclosure of issues with power contracts and review and approval status	N.A.T.	3.00	\$1,200.00
4/6/2012	Work on report draft	N.A.T.	3.00	\$1,200.00
4/9/2012	Drafting sections of report	N.A.T.	3.50	\$1,400.00
4/11/2012	Drafting report addressing investigation issues and materials reviewed and analyzed	N.A.T.	4.70	\$1,880.00
4/12/2012	Review memo provided by L. Freeman and analyze with respect to investigation information obtained to date	N.A.T.	.40	\$160.00
4/13/2012	Email L. Freeman re information concerning \$14 million payment issue	N.A.T.	.20	\$80.00
4/13/2012	Respond to inquiry from D. Kelsey re draft report	N.A.T.	.10	No Charge
4/13/2012	Emails with L. Freeman re PPL issues addressed in report	N.A.T.	.20	\$80.00
4/14/2012	Work on draft report	N.A.T.	2.70	\$1,080.00
4/15/2012	Review notes from L. Freeman and make revisions to report	N.A.T.	2.00	\$800.00
4/16/2012	Follow up with C. Boysun re PPL contract issues; review and analyze contracts	N.A.T.	2.10	\$840.00
4/16/2012	Review notes from closed board sessions and compare to board minutes	N.A.T.	.80	\$320.00

4/16/2012	Review SME documents and analyze issues concerning Southern	N.A.T.	3.40	\$1,360.00
4/16/2012	Teleconference with L. Freeman re PPL contract issues and report draft	N.A.T.	.40	\$160.00
4/17/2012	Review and provide analysis for draft investigative report.	J.M.G.	1.00	\$400.00
4/17/2012	Further follow up in emails and telephone call with L. Freeman re draft report and PPL issues	N.A.T.	.40	\$160.00
4/17/2012	Revise and provide draft report to L. Freeman	N.A.T.	.50	\$200.00
4/17/2012	Follow up with C. Boysun re outstanding issues concerning energy contracts and disclosure to board and Prudential	N.A.T.	.40	\$160.00
4/17/2012	Review additional documents provided by C. Boysun and make edits to report regarding disclosure issues	N.A.T.	.80	\$320.00
4/23/2012	Teleconference with T. Dahlgren re power contract issues	N.A.T.	.50	\$200.00
4/23/2012	Review additional documents provided by T. Dahlgren	N.A.T.	.50	\$200.00
4/23/2012	Work on revisions to report to address IESS, power contract issues, cash flows and uses of funds and City of Great Falls power contract needs	N.A.T.	2.80	\$1,120.00
4/23/2012	Email L. Freeman re status of report issues	N.A.T.	.10	\$40.00
4/24/2012	Further revisions to report	N.A.T.	1.00	\$400.00
4/27/2012	Review journal entry and schedule of transfer of assets to and from SME and Southern	N.A.T.	.40	\$160.00
4/30/2012	Review payoff documentation for February 2010 closing	N.A.T.	.50	\$200.00
4/30/2012	Review comments on report from L. Freeman	N.A.T.	.80	\$320.00
5/2/2012	Teleconference with L. Freeman re investigation issues and report	N.A.T.	.40	\$160.00
5/2/2012	Review draft report and source documents and make revisions	N.A.T.	2.00	\$800.00
5/3/2012	Teleconference with L. Freeman re investigation issues and report	N.A.T.	.40	\$160.00
5/3/2012	Email C. Boysun for request for legal invoices for support	N.A.T.	.10	\$40.00
5/4/2012	Review documents uploaded by C. Boysun to dropbox.com	N.A.T.	1.00	\$400.00
5/7/2012	Review additional documents uploaded to dropbox.com of legal invoices for analysis	N.A.T.	.80	\$320.00
5/7/2012	Prepare relevant exhibits for L. Freeman	N.A.T.	1.50	\$600.00
5/8/2012	Follow up and review additional documents for report analysis	N.A.T.	.70	\$280.00
7/5/2012	Work on revised report	N.A.T.	.60	\$240.00
7/5/2012	Follow up emails with L. Freeman and re revised report	N.A.T.	.50	\$200.00
7/30/2012	Review additional PPL-related documents and analyze	N.A.T.	1.20	\$480.00
8/10/2012	Review memo from L. Freeman re PPL issues	N.A.T.	.50	\$200.00
8/18/2012	Review L. Freeman comments on report and analyze	N.A.T.	.80	\$320.00



8/19/2012	Follow up on questions raised by L. Freeman by reviewing board packets and PPL-related documents	N.A.T.	1.20	\$480.00
8/21/2012	Make revisions to report based on L. Freeman comments and notes	N.A.T.	1.20	\$480.00
8/23/2012	Review email from L. Freeman re cash flow issues and status of bankruptcy	N.A.T.	.30	No Charge
8/29/2012	Review information provided by YVEC to L. Freeman and analyze with regard to issues addressed in report	N.A.T.	1.30	\$520.00
9/4/2012	Work on revisions to report	N.A.T.	1.50	\$600.00
9/17/2012	Further follow up on report and email L. Freeman re status	N.A.T.	.50	\$200.00
9/27/2013	Emails re release of draft report from September 2012	N.A.T.	.20	No Charge
9/30/2013	Review last version of draft report and prepare for release with citations to the exhibits	N.A.T.	1.40	\$560.00
10/1/2013	TC L. Freeman regrding draft report	N.A.T.	.50	\$200.00
10/1/2013	Review and edit report.	N.A.T.	1.20	\$480.00
10/1/2013	Provide report with citations to exhibits and arrange for exhibits to be uploaded to shared website	N.A.T.	.30	No Charge
SUBTOTAL:			166.60	\$60,792.50

**Costs**

1/23/2012	Lunch for N. Temple, J. Parks, and L. Freeman in Billings, Mt			\$14.34
1/23/2012	N. Temple's round trip fare to Billings, MT with United Airlines re: bankruptcy hearing and meetings (see attached receipt)			\$505.70
1/23/2012	One night stay at Billings Hotel for N. Temple re: bankruptcy hearing and meetings (see attached receipt)			\$104.79
1/23/2012	Cab from N. Temple's home to O'Hare Airport (see attached receipt)			\$42.00
1/24/2012	Breakfast for N. Temple in Billings, MT			\$5.45
1/24/2012	Dinner for N. Temple at airport while traveling from Billings, MT			\$12.10
1/24/2012	Cab from Billings hotel to Billings airport			\$5.00
1/24/2012	Cab fare from O'Hare Airport to N. Temple's home			\$42.00
2/11/2012	Invoice from UPS #A9F557 re shipping box of docs. to L. Freeman in Livingston, MT (see attached receipt)			\$158.67
5/16/2012	FedEx charge re box overnight to L. Freeman (see attached receipt)			\$208.13
7/25/2012	FedEx delivery charge regarding package sent to L. Freeman on 7/6/12 (see attached receipt)			\$21.84
SUBTOTAL:				\$1,120.02

TOTAL:\$61,912.52

PREVIOUS BALANCE DUE:\$0.00

CURRENT BALANCE DUE AND OWING:\$61,912.52